

The State's Role in the Emerging Health Care Debate

Washington State is closely watching the federal developments and recommends the following:

- Do no harm: like the Hippocratic Oath, federal reform should set a floor for standards; states that have more robust requirements should be allowed to continue them.
- Flexibility: Washington State's has demonstrated its commitment to containing costs and covering the uninsured. We encourage that provision be made for states to innovate in areas, such as:
 - Medicaid expansions to cover more people;
 - Demonstration waivers for Medicare / Medicaid dual eligibles.
 - Adding a provision to ERISA to allow limited state waivers, including permitting states to:
 - Offer its Public Employee Benefits to those without access to affordable coverage.
 - Establish "play or pay" programs that allow states to require employers who don't offer health benefits to help pay for public coverage; while allowing employers who provide comprehensive benefits to continue to do so.
- Medicare: Medicare has a profound effect on state and commercial markets. A few changes would greatly assist any reform efforts:
 - New treatments: Medicare plays a critical role in approving new medical treatments and technologies. Effectively containing health care costs will require an independent, neutral process, not subject to political influence.
 - Reimbursement rates. Medicare rates set the standard for all other markets. Unfortunately, Medicare has long favored expensive (and often unnecessary) specialty care, to the detriment of primary care. Without redressing this imbalance, no health care reform effort can succeed.
- Primary care. In addition to addressing reimbursement, we need federal assistance to stabilize and expand the current primary care workforce through tuition waivers, incentives, education subsidies and retention strategies, as well as expanding the role of nurse practitioners and physician assistants.
- Health Insurance and State Insurance Commissioner Roles: Reform legislation should establish, in conjunction with NAIC, uniform, national standards that insurance plans must meet in order to participate. National reform should allow states with more robust standards to continue employing its standards.
- Medicaid: Transitions between Medicaid and the Exchange appear especially challenging. What happens when a family income increases or declines? Would families be shifted from Medicaid into the Exchange every time their incomes change? Given these challenges, states should have the option of using the Exchange, including the public insurance plan, to deliver services to Medicaid clients, which would also address the continuity of care issue.
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